CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

MAY 4, 2004

INVOCATION
Mehri Molin of the Baha'i Spiritual Assembly gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG
Councilmember Orach led the pledge of allegiance.

ROLL CALL
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino.

ALSO PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Montandon, Director of Administrative Services Cox, Director of Community Development Lindsey, Director of Public Works Karp, Fire Chief Ortiz, Police Chief Macagni, Director of Recreation Posada, Utilities Manager Chisam, City Engineer Sweet, Deputy Fire Chief Moreno, Transit Services Manager Rye, and Chief Deputy City Clerk Perez.

COMMENDING MAX MAESTAS
Mayor Lavagnino read a proclamation commending Martin (Max) Maestas, Solid Waste Equipment Operator, for his quick thinking, selfless action, and efforts to provide service above and beyond the routine duties of a City of Santa Maria employee thereby making Santa Maria a better place in which to live. The commendation was presented to Mr. Maestas.

NATIONAL POLICE WEEK/POLICE MEMORIAL DAY
Councilmember Mariscal read a proclamation declaring the week of May 9 - 15, 2004 as "National Police Week" and Wednesday, May 12, 2004, as "Peace Officers' Memorial Day" in the City of Santa Maria, and encouraging all citizens to remember those individuals who gave their lives for our safety and express our appreciation to those who continue to dedicate themselves to making Santa Maria a safer place in which to live. The proclamation was accepted by Norm Come.

NATIONAL PUBLIC WORKS WEEK
Councilmember Trujillo read a proclamation declaring the week of May 16 - 22, 2004, as "National Public Works Week" in the City of Santa Maria, and urging citizens and civic organizations to acquaint themselves with the issues involved in providing public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life. The proclamation was accepted by Don Spagnolo.

NATIONAL DAY OF PRAYER OBSERVANCE
Councilmember Patino read a proclamation declaring Thursday, May 6, 2004, as "National Day of Prayer Observance" in the City of Santa Maria, and encouraging Americans of all faiths to participate in the National Day of Prayer according to their own traditions. The proclamation was accepted by Linda Winn and Don Brister.

KIDS DAY AMERICA
Councilmember Orach read a proclamation declaring Saturday, May 15, 2004, as "Kids Day America" in the City of Santa Maria, and urging that this day be dedicated to the efforts of Doctors and Chiropractors and helping educate all citizens on the importance of health, safety and environmental issues affecting our community. The proclamation was accepted by Dr. Gregory Anderson.

ELDER AND DEPENDENT ADULT ABUSE PREVENTION MONTH
Mayor Lavagnino read a proclamation declaring the month of May 2004 as "Elder and Dependent Adult Abuse Prevention Month" in the City of Santa Maria, and encouraging all

citizens to participate in the effort to prevent elder and dependent adult abuse. The proclamation was accepted by Joyce Ellen Lippman.

COMPOST AWARENESS WEEK
Councilmember Trujillo read a proclamation declaring the week of May 2 - 8, 2004, as "Compost Awareness Week" in the City of Santa Maria and encouraging everyone to "Be Resourceful ...Compost!" The proclamation was accepted by Carl Engel.

POPPY WEEK
Councilmember Orach read a proclamation declaring May 9 - May 15, 2004, as "Poppy Week" in the City of Santa Maria, and asking that all citizens pay tribute to those who have made the ultimate sacrifice in the name of freedom by wearing the American Legion Auxiliary Memorial Poppy during this week. The proclamation was accepted by Lindsay Rombough and Irene Braun.

GO RODEO DAYS
Councilmember Mariscal read a proclamation declaring May 9 - June 6, 2004, as "Go Rodeo Days" in the City of Santa Maria in honor of the Elks' 61st Annual Rodeo and Parade and urging all citizens to enter into the rodeo spirit by wearing western apparel. The proclamation was accepted by Ted Scott.

ANNOUNCEMENTS
Councilmember Mariscal read an article he had obtained at the Elks' Lodge regarding Mayor Lavagnino's father, Lawrence Lavagnino, and his tremendous community involvement. He stated that leadership by example is very important; and when children see their parents participating in the community, they become involved as adults.

Fire Chief Ortiz introduced his new Deputy Fire Chief, Robert Moreno.

CONSENT CALENDAR
James Watson requested Item 2A be pulled for discussion. Councilmembers Patino and Orach requested Item 2K be discussed.

Item 2A is a recommendation to waive the reading in full of all ordinances. James Watson indicated he thought the City should read all ordinances in full to inform the public, especially the viewing public.

Item 2K is a recommendation to officially establish a Centennial Celebration Committee. Councilmember Patino indicated the Committee had been meeting for over a year and encouraged people to become involved in the planning of the City's Centennial Celebration.

Councilmember Orach also encouraged people to become involved and indicated there were a lot of different components to the celebration that people could participate in.

Consent Calendar Items A through K, were accepted, approved with the indicated action, and ordered ratified on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES:	Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

A. ORDINANCES
Recommendation of City Staff to waive the reading in full of all ordinances. Ordinances on the Consent Calendar will be adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of April 20, 2004, were approved as submitted.

C. WARRANTS
Warrant Nos. 112179 to 112426 in the amount of $2,665,011.90 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 112056, 107249, 111886, 112150, 112252 and 112273 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads as shown on records on file in the Administrative Services Department and having been approved for payment by the Director of Administrative Services.

E. MISSION LINEN SUPPLY
Resolution No. 2004-70 was adopted approving an extension of an agreement for uniform and linen services between the City of Santa Maria and Mission Linen Supply.

Resolution No. 2004-70 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN EXTENSION OF THE CURRENT AGREEMENT BETWEEN THE CITY OF SANTA MARIA AND MISSION LINEN SUPPLY FOR UNIFORM AND LINEN SERVICES.

F. ALCOHOLIC BEVERAGE LICENSE
A notice from the California Department of Alcoholic Beverage Control of an application for an Alcoholic Beverage License in an existing warehouse (Type 02, Winegrower) for the business Consilience (Escalera Boulet, LLC) located at 2643 Industrial Parkway was noted and filed.

G. ORDINANCE NO. 2004-06
Second reading of Ordinance No. 2004-06, prezoning the 20.6-acre Hagerman Sports Complex to OS (Open Space), was conducted and the Ordinance was adopted.

Ordinance No. 2004-06 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, PREZONING THE HAGERMAN SPORTS COMPLEX, LOCATED AT 3300 SKYWAY DRIVE.

H. FEDERAL SURPLUS PROPERTY
Resolution No. 2004-71 was adopted authorizing continued participation in the Federal Surplus Property Program and satisfying the renewal requirements by authorizing certain officers of the City to acquire federal surplus property.

Resolution No. 2004-71 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING CERTAIN OFFICERS OF THE CITY TO ACQUIRE FEDERAL SURPLUS PROPERTY.

I. BID NO. 2004/02
Council approved the Notice of Contract Completion for Betteravia Road/Bradley Road Intersection Improvements, Bid No. 2004/02.

J. BID NO. 2003/05
Council approved the Notice of Contract Completion for Support Services Annex, Bid No. 2003/05.

K. CENTENNIAL CELEBRATION COMMITTEE
Resolution No. 2004-72 was adopted officially establishing the Centennial Celebration Committee as the official centennial event planners and fundraisers.

Resolution No. 2004-72 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE ESTABLISHMENT OF A

SPECIAL COMMITTEE TO ORGANIZE THE EVENTS COMMEMORATING THE CITY'S CENTENNIAL.

PUBLIC COMMENT
Ernest Armenta spoke about the number of accidents at the intersection of Carlotti Way and East Donovan, the center island improvements on N. Donovan, and the number of discontented voters he thinks there are in the City.

Hector Gonzalez encouraged voters to vote no on the Safe Drinking Water measure on the November ballot.

Karen Nuno spoke on the need for public housing.

James Watson spoke against fluoridation.

PRESENTATION OF THE CALIFORNIA TELEPHONE ACCESS PROGRAM
Andie Squires, Outreach Specialist with the California Telephone Access Program, explained that the Program was fully paid for by a surcharge on telephone bills. She highlighted the services available to persons who are deaf, hard of hearing, speech impaired, or visually impaired. The California Relay Service enables a person using a TTY, a telecommunications device with a keyboard and visual display, to communicate by telephone with a person who does not use a TTY. People with TTY equipment may communicate directly without using the California Relay Service. Not only do they provide the TTY equipment, they also provide training on how to use it. Also available is free amplified telephone equipment for the hearing impaired and large button telephones for the visually impaired. Portable telephones are available for persons with mobility problems. The only requirements are that the person be a California resident, have telephone service, and have a doctor complete the required medical form.

SMAT OPERATIONS CONTRACTOR
City Engineer Sweet gave the staff report. Santa Maria Area Transit (SMAT) is the City's public transit operation, and it consists of an array of four major contracts. The largest contract, SMAT Operations Contract, is for the provisions of drivers, driver supervision and training, dispatching, insurance, and customer service to provide fixed-route and demand-response service. SMAT is now the largest public transit system on the Central Coast. Santa Maria Organization of Transportation Helpers (SMOOTH), Inc. has been the City contractor for the entire 28 years of SMAT's history. The Federal Transit Administration, which gives the City about fifty percent of its operating capital, requires that the City solicit proposals for the contract every three years with the option of two one-year extensions. The City has done one contract extension already. SMAT will soon be moving into a new transit operations center. Seven favorable proposals were received. The top four proposals were submitted to a volunteer review committee in March. The committee was assigned the task of making a recommendation to the City Council after hearing presentations and interviewing the top four. The committee ranked the top four in the following order: 1) MV Transportation; 2) First Transit; 3) SMOOTH and Southland Transit who tied for third. On May 3, 2004, the City received a press release from SMOOTH notifying the City that it was withdrawing its proposal for SMAT and concentrating efforts on supplying transportation to those who could least afford it. He acknowledged almost 30 years of SMAT operations. The volunteer committee recommended MV Transportation for the following reasons: commitment to full retention to the SMOOTH workforce; excellent pricing which allows the City to maintain its required 20 percent farebox ratio; corporate financial stability; excellent research of our existing system; excellent management and support network; emphasis on employee development and educational incentives; and a strong background in paratransit.

Mayor Lavagnino commended SMOOTH for the excellent job they had done over the last 28 years. If they hadn't withdrawn their proposal, it would have been very hard to go against these people the Council sees everyday in the City and who have done so much for the community.

Mayor Lavagnino opened the public hearing.

Bob Morrison, SMOOTH Board of Directors for over 20 years, stated he was not particularly happy with the decision; it is a business decision. The running of a City is a business. SMAT has finally grown up with real buses, real drivers who are trained and paid like the professionals they are, real dependable schedules, a really great staff, plus an Executive Director that is known and respected State-wide. SMOOTH is proud of SMAT and SMAT should be proud of SMOOTH. He thanked the City, the City Council, and former City Councils for supporting SMOOTH.

Karen Nuno commended SMOOTH as a fine organization and spoke about the need for good transit service especially for people who have no other means of transportation.

Jonathan Dotson, American Star Tours, submitted a letter listing seven provisions he felt should be added to the contract with MV Transportation and read the letter.

Robert Dockerty, American Star Tours, brought up points he felt the Council should consider before awarding the contract to MV Transportation. The City has a new transit center that could be used to train employees for other areas operated by MV Transportation. Insurance prices have risen dramatically since 911. A self-insured corporation with many divisions can have a claim in one division, bankrupt that division, and continue on with the other divisions. The proposed contract offers no protection for the City.

Corrine Bernstein commended SMOOTH and their staff, both office people and drivers. Elderly people need the Sunday bus service and it needs to run later in the day. The City is losing a good team.

Jon Monson, President and Chief Executive Officer of MV Transportation, thanked the Council and the Committee for considering their proposal. MV Transportation is a family-owned company that started 28 years ago. MV Transportation operates public transportation services in 90 locations throughout the United States with about half in California. If the contract is awarded to them, they will be part of the community and be active in community affairs.

Councilmember Trujillo asked if they were committed to hiring the current SMOOTH employees.

Mr. Monson replied they were committed to hire each and every employee that is operating under the current contract at wages and benefits at or greater than the current compensation structure.

Henry Grennan, member of the Volunteer Review Committee, commended staff for putting together an excellent review process. The process went very smoothly. All three committee members ranked the proposers the same way.

Hearing no further testimony, Mayor Lavagnino closed the public hearing.

Councilmember Mariscal asked Mr. Monson about a statement in the proposal which said they intended to hire as many SMOOTH employees as possible. He asked why that was different from his commitment to hire all employees.

Mr. Monson explained that the City required MV Transportation to propose a project manager, which they have done. Otherwise they were committed to hire all other employees in accordance with SB 158. There are certain federal rules that need to be followed such as an FTA drug and alcohol screening, a criminal background check, and a physical examination for a commercial drivers license. We will also guarantee that the employees maintain their seniority. MV Transportation would not be advertising in the newspaper or hiring people off the street to replace current SMOOTH employees.

Councilmember Mariscal asked about the transit center and utilizing it for operations other than the SMAT operations in Santa Maria.

Mr. Monson stated it was his understanding that would not be allowed under the contract. The services and personnel under the contract would be exclusive to the City of Santa Maria.

Councilmember Mariscal asked if MV Transportation moved employees to different locales within the company and if they moved employees to other locales after being trained.

Mr. Monson explained that employees had the right to request a transfer, and they would allow that transfer; however, that employee would come in at the bottom of the seniority list for that particular group of employees. There are some commonalties in training, but the training that is done in a location is specific to that location. They do not move drivers around after being trained.

Councilmember Patino thanked the committee for their time and effort in reviewing the proposals. SMOOTH has done a great job for so many years and they have been part of the community. The Board has always made sure the needs of the community were met. She encouraged Mr. Monson to become involved in the community.

Councilmember Orach also commended SMOOTH for everything they have done for the community. SMOOTH has met some challenges and now has a really good opportunity.

Councilmember Trujillo also thanked and commended the SMOOTH Board of Directors.

Resolution No. 2004-73 was adopted approving the selection of a SMAT contractor on motion by Councilmember Trujillo, second by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2004-73 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SELECTION OF THE OPERATIONS CONTRACTOR FOR SANTA MARIA AREA TRANSIT (SMAT).

APPOINTMENT TO LANDMARK COMMITTEE

Mayor Lavagnino announced there was one application from Joan Walker.

Councilmember Patino moved to appoint Joan Walker to fill the unexpired term on the Landmark Committee. Councilmember Mariscal seconded the motion. The motion carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

APPOINTMENT OF A COUNCILMEMBER TO SBCAG

Mayor Lavagnino indicated he was stepping down as the City's representative on the Santa Barbara County Association of Governments and a new representative from the City Council needed to be appointed. He recommended Councilmember Mariscal be appointed since he served on the Air Pollution Control District which meets in the afternoon on the same day as SBCAG in Santa Barbara. It is time for new ideas to be presented on SBCAG.

Mayor Lavagnino nominated Councilmember Mariscal. Councilmember Orach seconded the motion. The motion carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: Councilmember Mariscal

Ernest Armenta opposed the nomination.

FINANCIAL REPORT FOR THIRD QUARTER

Director of Administrative Services Cox gave the staff report. This quarterly financial report completes the third quarter of fiscal year 2003-04. The report concentrates on the General and Water Resources Funds and indicates no overall material budget variances. With 75 percent of the year complete, revenues are at 89.5 percent of projections while expenditures are at 67.8 percent of projections. Revenues are higher than budgeted and on track with the prior year. Revenues received were 14.9 percent higher than received last year at this time. Expenditures were 10.9 percent higher than last year. The top five revenue sources account for 77 percent of the total General Fund and include sales tax, vehicle license fees, property tax, hotel/bed tax, and licenses, permits and fines. The Water/Wastewater Fund has long-term commitments to purchase State Water through the year 2035 and is on track with meeting its commitments. Total annual payments range from $15.3 million to $24.5 million.

Staff is also proposing a budget amendment which will appropriate from Comcast grant proceeds to finance capital and operational costs associated with public access television; and appropriate $251,700 of unanticipated revenue through the Jobs Housing Balance Incentive Grant Program from the California Department of Housing and Community Development to the Police Department Expansion/Remodel Project.

Councilmember Orach asked if the City sent the State a bill each year to remind them of their promise to pay.

Councilmember Patino stated sales tax was 5.6 percent higher than budgeted, and that is because the economy is recovering. That is important. The report indicated that bed tax was 11.8 percent higher than budgeted. She asked why that was and if it was related to the Michael Jackson hearing several months ago.

Director Cox stated given his conservative nature, he may have under budgeted. It was probably due in part to 9-11. He indicated he did not believe the increase was related to the Michael Jackson hearing.

Councilmember Patino commented that the $1.5 million for impacted soils the City was receiving was great.

Councilmember Mariscal commented on the effectiveness of the City's employees who had spent 5.8 percent less than budgeted. Santa Maria has always been a City who could do more with less. It was because of excellent employees who look for ways to save costs and be more efficient in their jobs.

Ernest Armenta asked what was meant in the staff report by "...the City Council should strongly consider revenue enhancements." He asked if it meant taking more money from the taxpayers.

City Manager Ness explained that the Vehicle License Fees represented $4.6 million to the City. The City could not stand to lose that much money from the General Fund. There would be no choice but to look for new options for revenue.

Michael Cox explained that all cities in the State have lost a good deal of control over their revenue sources either by the people or the State. The City can control its revenue in very limited ways such as establishing user fees. Most of the other areas where the City would

be able to recoup the $4.6 million would have to be approved by a vote of the people.

Mr. Armenta suggested the hotel bed tax be used to offset the revenue loss and developer fees be doubled. He asked about the increased costs of PERS retirement and health care.

Director Cox explained that the City had belonged to PERS retirement and health care for a long time. The costs to the City have increased because of the three years when the economy was down and PERS lost a lot of money. Now they are requiring contracting agencies to make up those losses.

Resolution No. 2004-74 was adopted on motion by Councilmember Mariscal, second by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2004-74 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 2003-04 AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT THE SAME.

REPORT BY CITY MANAGER
City Manager Ness reported that the main item for the May 18, 2004, City Council meeting was a continued public hearing on the Stowell Gap Transfer.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS
Councilmember Trujillo reported on a trip to Sacramento. The main topic of discussion was Workers' Compensation.

Councilmember Patino reported on a trip to Washington, D.C. with Supervisor Gray who testified before the Committee on Resources at the United States House of Representatives. Supervisor Gray testified on behalf of Santa Barbara County on HR2933 to amend the Endangered Species Act of 1973 and reform the process. There were only about three people who were in opposition to it. She also reported on other meetings she had attended with Supervisor Gray and said it was a productive trip.

Councilmember Mariscal reported that in the City or County of Los Angeles restaurants received a grading of A, B, or C from the Health Department. Santa Maria is growing with a lot of restaurants. It might be time to think about something like that for Santa Maria. He reported on a ceremony for Hayward Truss Company whose building was recognized by an international organization as a "green building". It is one of 109 buildings in the world. He also indicated he played donkey basketball as a representative of the City to raise money for the Boys and Girls Club.

CLOSED SESSION
The City Council recessed at 8:40 p.m. to a Closed Session for Conference with Legal Counsel regarding existing litigation pursuant to Subsection (a) of Government Code Section 54956.9 to discuss Santa Maria Valley Water Conservation District v. City of Santa Maria

After the Closed Session, the following was announced:

Santa Maria Valley Water Conservation District v. City of Santa Maria – Status report with no action taken.

ADJOURNMENT

There being no further business to come before the City Council at this time, the meeting was declared adjourned at 9:06 p.m. by order of Mayor Lavagnino.

APPROVED May 18, 2004
Date

ATTEST:
Chief Deputy City Clerk

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

Mayor of the City of Santa Maria